

## Message Text

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44

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 SSO-00 NSCE-00 INRE-00 USIE-00

DODE-00 PM-03 H-01 L-02 NSC-05 PA-01 PRS-01 SS-15

/075 W

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O R 211920Z FEB 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7812

INFO AMEMBASSY CARACAS

AMEMBASSY QUITO

AMEMBASSY BOGOTA

AMEMBASSY MEXICO

AMEMBASSY LIMA

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E. O. 11652: N/A

TAGS: PFOR, BR, VE

SUBJECT: VENEZUELAN FINANCE MINISTER SEEKS BRAZILIAN  
SUPPORT FOR SELA

SUMMARY: AFTER MEETING WITH TOP BRAZILIAN OFFICIALS,  
VENEZUELAN FINANCE MINISTER HURTADO TOLD PRESS GOB  
"RECEPTIVITY" TO IDEA OF LATIN AMERICAN ECONOMIC  
SOCIETY (SELA) HAD BEEN "WARM". PRESS REPORTED,  
HOWEVER, THAT HE ADMITTED (AND FOREIGN MINISTRY  
SOURCES STRESSED) THAT GOB DID NOT COMMIT ITSELF.  
FOREIGN MINISTER SILVEIRA TOLD REPORTERS INTER ALIA  
THAT GOB WOULD NOT SUPPORT CREATION OF ANY ORGANIZATION  
PRINCIPAL OBJECT OF WHICH WAS CONFRONTATION WITH THE  
U.S. HE ALSO SAID GOB IN PRIVATE TALKS WITH U.S.  
WAS FIRM AND FRANK. END SUMMARY.

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1. AFTER MEETINGS WITH PRESIDENT GEISEL, FOREIGN MINISTER SILVEIRA, FINANCE MINISTER SIMONSEN, AND CENTRAL BANK PRESIDENT LIRA, VENEZUELAN FINANCE MINISTER HECTOR HURTADO TOLD REPORTERS BRAZILIAN "RECEPTIVITY" TO SELA IDEA HAD BEEN "WARM", AND THAT IT HAD COUNSELED (ACCORDING TO PRESTIGIOUS O ESTADO DE SAO PAULO) THAT THERE NOT BE CREATED JUST ANOTHER BUREAUCRATIC ORGANIZATION, BUT A PRACTICAL ONE. PRESS ALSO REPORTED THAT HE SAID SELA WOULD BE A PERMANENT FORUM IN WHICH LA COUNTRIES, FREED FROM U.S. PRESSURE, COULD PURSUE THEIR EXCLUSIVE GOALS JUST AS INDUSTRIALIZED COUNTRIES DO NOW IN OECD; THAT THERE HAD BEEN ENOUGH OF "DECLAMATORY" ORGANIZATIONS (SUCH AS THE OAS); THAT OPEC SHOULD SERVE AS EXAMPLE AND BE SEEN BY LA COUNTRIES AS FRIEND; THAT VENEZUELAN OIL WAS AT THE SERVICE OF LATIN AMERICA NOT IN TERMS OF LOWER PRICES BUT AS WEAPON IN OBTAINING BETTER TREATMENT FOR OTHER LA BASIC PRODUCTS; AND THAT SELA SHOULD BE OPEN TO ALL LA COUNTRIES.

2. FOREIGN MINISTER SILVEIRA ALSO TALKED TO REPORTERS, AND WAS QUOTED TO THE EFFECT THAT BRAZIL WILL NOT GIVE ITS SUPPORT TO THE CREATION OF ANY ORGANIZATION THE PRINCIPAL OBJECTIVE OF WHICH IS CONFRONTATION WITH THE U.S. ADDED THE INDEPENDENT JORNAL DO BRASIL, "HE AFFIRMED, HOWEVER, THAT THE BRAZILIAN GOVERNMENT IS DISPOSED TO SUPPORT THE ESTABLISHMENT OF SELA. . . AS LONG AS IT REPRESENTS THE IMPROVEMENT OF ALREADY EXISTING MECHANISMS, SUCH AS CECLA." O ESTADO DE SAO PAULO REPORTED THAT HURTADO "ADMITTED. . . THAT BRAZILIAN AUTHORITIES REMAINED ONLY IN THE POSITION OF ANALYZING THE OBJECTIVES AND MECHANISM OF SELA, WITHOUT ASSUMING ANY COMMITMENT, AS WAS STRESSED BY SOURCES IN BRASILIA." ACCORDING TO VARIOUS PAPERS, SILVEIRA ALSO SAID, ON OCCASION NOT PART OF HURTADO SCHEDULE BUT REPORTED AS IF THERE WERE SOME CONNECTION, THAT IN CONTRAST TO COMMON PRACTICE OF LA GOVERNMENTS OF TAKING STRIDENT AND DEMOGOGIC PUBLIC POSITIONS VIS-A-VIS THE U.S. BUT BEING MODERATE OR SOFT IN PRIVATE TALKS, LIMITED OFFICIAL USE

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THE GOB DID NOT ENGAGE IN PUBLIC POSTURING, BUT "MAINTAINED ITS POSITION WITH ABSOLUTE FIRMNESS AND FRANKNESS" IN PRIVATE TALKS, WHICH WERE MORE HARD-HITTING.

3. LATIN AMERICAN DIPLOMATIC SOURCES FRIENDLY TO THE EMBASSY COMMENTED THAT THEY WERE IMPRESSED WITH THE AMOUNT OF TIME HURTADO GOT WITH GEISEL (REPORTEDLY AN HOUR AND 45 MINUTES, WHICH IS EXTRAORDINARY). IN

THEIR OWN TALKS WITH HURTADO, THEY WERE STRUCK WITH HIS REFUSAL--OR INABILITY--TO PROVIDE ANY SATISFACTORY ANSWERS TO THEIR QUESTIONS ABOUT WHY ANOTHER ORGANIZATION WAS NEEDED (WHY CECLA, FOR EXAMPLE, COULD NOT BE ADAPTED AND USED INSTEAD), AND WHAT THE PURPOSES AND FUNCTIONS OF SELA WOULD BE. HIS AIRY, VAGUE ASSERTIONS THAT SELA WOULD BE DIFFERENT AND BETTER LEFT THEM, THEY SAID, RATHER SUSPICIOUS OF VENEZUELAN MOTIVES.

4. COMMENT: WE EXPECT THE GOB TO BE SECOND TO NONE IN SUSPICION OF VENEZUELAN MOTIVES AND DETERMINATION NOT TO BE (AS A RECENT FOREIGN MINISTRY STATEMENT PUT IT) "ANYONE'S TAIL." WHILE FAVORING PRODUCER COOPERATION TO MAINTAIN EXPORT PRICES, BRAZILIANS, AS THEIR CAUTIOUS POSTURE IN IRON ORE EXPORTERS' GROUP INDICATED, HAVE DOUBTS ABOUT EFFICACY OF OPEC-TYPE COMMODITY EXPORTER GROUPS--PROBABLY REINFORCED BY INABILITY TO ESTABLISH EFFECTIVE COOPERATION AMONG COFFEE PRODUCERS. ALSO, BRAZILIANS HAVE IMPORTANT TRADE INTERESTS WITH THE US AND OTHER DEVELOPED COUNTRIES THAT THEY HAVE SOUGHT TO SAFEGUARD BY AVOIDING CONFRONTATION SITUATIONS. IN GENERAL, WE ANTICIPATE THAT BRAZILIAN REACTION TO SELA OR ANY OTHER SUCH PROPOSAL WILL BE INFLUENCED BY THESE CONCERNS, ALONG WITH THE GENERAL DESIRE TO RETAIN THE BENEFITS BOTH OF LA AND LDC SOLIDARITY AND OF GOOD RELATIONS WITH THE U.S. END COMMENT.  
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